

AFFIN HOLDINGS BERHAD

(Company no. 23218 - W)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position As At 30 September 2016

		< ----- GROUP ----- >		< ----- COMPANY ----- >	
	Note	30/9/2016 RM'000	31/12/2015 RM'000	30/9/2016 RM'000	31/12/2015 RM'000
ASSETS					
Cash and short-term funds		5,383,781	4,441,700	13,042	45,393
Deposits and placements with banks and other financial institutions		241,307	497,161	-	-
Trade receivables	A9	517,285	551,579	-	-
Financial assets held-for-trading	A10	247,615	122,016	-	-
Financial investments available-for-sale	A10	12,966,570	13,085,556	-	-
Financial investments held-to-maturity	A10	507,979	459,368	-	-
Derivative financial assets		166,921	293,864	-	-
Loans, advances and financing	A11	42,601,426	43,345,290	-	-
Other assets	A12	200,975	237,726	291	305
Statutory deposits with Bank Negara Malaysia		1,659,440	1,782,450	-	-
Amount due from subsidiaries		-	-	1,004,027	1,004,446
Amount due from associate		51,743	58,560	51,743	58,560
Investment in subsidiaries		-	-	5,461,063	5,461,063
Investment in joint ventures		154,053	129,396	187,680	159,630
Investment in associate		319,104	269,774	26,984	15,623
Tax recoverable		80,957	75,994	1,932	2,459
Deferred tax assets		2,693	16,339	-	-
Property and equipment		436,523	434,639	99	128
Intangible assets		1,611,026	1,612,462	2	3
TOTAL ASSETS		67,149,398	67,413,874	6,746,863	6,747,610
LIABILITIES AND EQUITY					
Deposits from customers	B7	49,263,775	50,548,747	-	-
Deposits and placements of banks and other financial institutions	B7	4,658,107	3,385,439	-	-
Obligation on securities sold under repurchase agreements		1,129,846	1,740,946	-	-
Bills and acceptances payable		45,336	77,114	-	-
Trade payables		626,792	642,483	-	-
Derivative financial liabilities		328,226	555,867	-	-
Recourse obligation on loans sold to Cagamas Berhad		130,569	134,585	-	-
Other liabilities	A13	723,107	652,293	2,755	3,098
Provision for taxation		4,513	11,799	-	-
Deferred tax liabilities		91,330	31,505	27	27
Amount due to subsidiaries		-	-	400,254	400,253
Borrowings	B7	1,305,780	1,306,011	1,305,780	1,306,011
TOTAL LIABILITIES		58,307,381	59,086,789	1,708,816	1,709,389

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD

(Company no. 23218 - W)

Condensed Interim Financial Statements**Unaudited Statements of Financial Position As At 30 September 2016**

	< ----- GROUP ----- >		< ----- COMPANY ----- >	
Note	30/9/2016 RM'000	31/12/2015 RM'000	30/9/2016 RM'000	31/12/2015 RM'000
EQUITY				
Share capital	1,942,949	1,942,949	1,942,949	1,942,949
Reserves:-				
Share premium	2,185,712	2,185,712	2,185,712	2,185,712
Statutory reserves	1,738,114	1,626,175	-	-
AFS revaluation reserves	285,808	64,833	-	-
Regulatory reserves	247,641	284,141	-	-
Retained profits	2,398,654	2,178,629	909,386	909,560
Equity attributable to equity holders of the Company	8,798,878	8,282,439	5,038,047	5,038,221
Non-controlling interest	43,139	44,646	-	-
TOTAL EQUITY	8,842,017	8,327,085	5,038,047	5,038,221
TOTAL LIABILITIES AND EQUITY	67,149,398	67,413,874	6,746,863	6,747,610
COMMITMENTS AND CONTINGENCIES	29,641,675	27,995,755	-	-
NET ASSETS PER SHARE (RM)	4.53	4.26		

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Income Statements For The Financial Quarter Ended 30 September 2016

<u>GROUP</u>	Note	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
		30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Interest income	A15	637,849	642,505	1,928,908	1,893,723
Interest expense	A16	(391,227)	(394,612)	(1,205,275)	(1,187,303)
Net interest income		246,622	247,893	723,633	706,420
Islamic banking income		69,048	63,007	193,313	174,118
Other operating income	A17	188,725	148,886	491,085	457,120
Net income		504,395	459,786	1,408,031	1,337,658
Other operating expenses	A18	(288,344)	(274,626)	(848,303)	(805,230)
Operating profit before allowance for impairment losses on loans, advances and financing		216,051	185,160	559,728	532,428
Allowance for impairment losses on loans, advances and financing	A19	(3,483)	(29,741)	(4,075)	(167,581)
Allowance for impairment losses on securities	A20	(18,713)	45	(18,713)	23,592
Operating profit		193,855	155,464	536,940	388,439
Finance cost		(13,853)	(10,008)	(42,424)	(30,841)
Share of results of joint venture		(1,635)	1,530	(4,676)	(1,991)
Share of results of associate		7,440	2,433	34,660	20,447
Profit before taxation and zakat		185,807	149,419	524,500	376,054
Zakat		(328)	(365)	(3,681)	(805)
Profit before taxation		185,479	149,054	520,819	375,249
Taxation	B5	(41,154)	(44,920)	(118,009)	(93,815)
Net profit for the financial period		144,325	104,134	402,810	281,434
Profit for the financial period attributable to :-					
- Equity holders of the Company		139,649	102,389	392,611	271,862
- Non-controlling interest		4,676	1,745	10,199	9,572
		144,325	104,134	402,810	281,434
Earnings per share attributable to the equity holders of the Company (sen)					
- Basic	B11	7.19	5.27	20.21	13.99

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
For The Financial Quarter Ended 30 September 2016

GROUP	<----Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Profit after taxation	144,325	104,134	402,810	281,434
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss :-				
- Net fair value change in financial investments available-for-sale	91,087	(142,614)	289,345	(135,102)
- Impairment losses on financial investments available-for-sale transferred to income statement	15,176	-	15,176	-
- Net gain on disposal of financial investments available-for-sale transferred to income statement	(13,192)	(32,691)	(19,996)	(7,983)
- Deferred tax on revaluation of financial investments available-for-sale	(22,293)	42,996	(67,848)	35,173
- Share of other comprehensive income/(loss) of an associated company	2,864	(3,998)	3,309	(1,795)
- Share of other comprehensive income/(loss) of a joint venture	510	(742)	1,283	(1,213)
Other comprehensive income/(loss) for the financial period, net of tax	74,152	(137,049)	221,269	(110,920)
Total comprehensive income/(loss) for the financial period	218,477	(32,915)	624,079	170,514
Total comprehensive income/(loss) for the financial period attributable to :-				
- Equity holders of the Company	213,686	(34,660)	613,586	161,170
- Non-controlling interest	4,791	1,745	10,493	9,344
	218,477	(32,915)	624,079	170,514

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Income Statements For The Financial Quarter Ended 30 September 2016

<u>COMPANY</u>	<----Individual Quarter Ended ---->		<----Cumulative Quarter Ended ---->	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Interest income	12,809	9,579	40,420	28,428
Interest expense	-	-	-	-
Net interest income	12,809	9,579	40,420	28,428
Other operating income	-	-	107,408	66,031
Net income	12,809	9,579	147,828	94,459
Other operating expenses	(1,886)	(1,953)	(6,904)	(6,149)
Operating profit before allowance for impairment losses on loans, advances and	10,923	7,626	140,924	88,310
Allowance for impairment losses on loans, advances and financing	-	-	-	-
Allowance for impairment losses on securities	-	-	-	-
Operating profit	10,923	7,626	140,924	88,310
Finance cost	(13,853)	(10,008)	(42,424)	(30,841)
Profit/(loss) before taxation and zakat	(2,930)	(2,382)	98,500	57,469
Zakat	-	-	-	-
Profit/(loss) before taxation	(2,930)	(2,382)	98,500	57,469
Taxation	(371)	78	(1,527)	(847)
Net profit/(loss) for the financial period attributable to equity holders of the Company	(3,301)	(2,304)	96,973	56,622

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
 (Company no. 23218 - W)
Condensed Interim Financial Statements
Unaudited Statement of Comprehensive Income
Unaudited Income Statements For The Financial Quarter Ended 30 September 2016

<u>COMPANY</u>	<---Individual Quarter Ended ---->		<---Cumulative Quarter Ended --->	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation	(3,301)	(2,304)	96,973	56,622
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the financial period attributable to equity holders of the Company	(3,301)	(2,304)	96,973	56,622

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The Financial Period Ended 30 September 2016

<-----Attributable to Equity Holders of the Company----->

GROUP	Issued and fully paid ordinary shares of RM1 each		Non-distributable				Distributable	Total Shareholders' Equity RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Statutory reserves RM'000	AFS revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000			
At 1 January 2016	1,942,949	1,942,949	2,185,712	1,626,175	64,833	284,141	2,178,629	8,282,439	44,646	8,327,085
Comprehensive income :										
- Net profit for the financial period	-	-	-	-	-	-	392,611	392,611	10,199	402,810
Other comprehensive income (net of tax) of which:-										
- Financial investments available-for-sale	-	-	-	-	216,383	-	-	216,383	294	216,677
- Share of other comprehensive income of an associated company	-	-	-	-	3,309	-	-	3,309	-	3,309
- Share of other comprehensive income of a joint venture	-	-	-	-	1,283	-	-	1,283	-	1,283
Total comprehensive income for the financial period	-	-	-	-	220,975	-	392,611	613,586	10,493	624,079
Transfer to statutory reserves	-	-	-	111,939	-	-	(111,939)	-	-	-
Transfer from regulatory reserves	-	-	-	-	-	(36,500)	36,500	-	-	-
Dividends declared and paid during the financial period	-	-	-	-	-	-	(97,147)	(97,147)	(12,000)	(109,147)
At 30 September 2016	1,942,949	1,942,949	2,185,712	1,738,114	285,808	247,641	2,398,654	8,798,878	43,139	8,842,017
At 1 January 2015	1,942,949	1,942,949	2,185,712	1,502,616	25,191	187,922	2,087,232	7,931,622	40,829	7,972,451
Comprehensive income :										
- Net profit for the financial period	-	-	-	-	-	-	271,862	271,862	9,572	281,434
Other comprehensive income (net of tax) of which:-										
- Financial investments available-for-sale	-	-	-	-	(108,608)	-	-	(108,608)	696	(107,912)
- Share of other comprehensive loss of an associated company	-	-	-	-	(1,795)	-	-	(1,795)	-	(1,795)
- Share of other comprehensive loss of a joint venture	-	-	-	-	(1,213)	-	-	(1,213)	-	(1,213)
Total comprehensive income for the financial period	-	-	-	-	(111,616)	-	271,862	160,246	10,268	170,514
Transfer to statutory reserves	-	-	-	74,874	-	-	(74,874)	-	-	-
Transfer to regulatory reserves	-	-	-	-	-	48,506	(48,506)	-	-	-
Dividends declared and paid for the financial year	-	-	-	-	-	-	-	-	(9,000)	(9,000)
At 30 September 2015	1,942,949	1,942,949	2,185,712	1,577,490	(86,425)	236,428	2,235,714	8,091,868	42,097	8,133,965

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Statement Of Changes In Equity
For The Financial Period Ended 30 September 2016

<-----Attributable to Equity Holders of the Company----->

<u>COMPANY</u>	Issued and fully paid ordinary shares of RM1 each		Non-distributable	Distributable	Total Equity
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Retained profits RM'000	
At 1 January 2016	1,942,949	1,942,949	2,185,712	909,560	5,038,221
Total comprehensive income for the financial period :					
- Net profit for the financial period	-	-	-	96,973	96,973
Dividends declared and paid during the financial period	-	-	-	(97,147)	(97,147)
At 30 September 2016	1,942,949	1,942,949	2,185,712	909,386	5,038,047
At 1 January 2015	1,942,949	1,942,949	2,185,712	843,947	4,972,608
Total comprehensive income for the financial period :					
- Net profit for the financial period	-	-	-	56,622	56,622
At 30 September 2015	1,942,949	1,942,949	2,185,712	900,569	5,029,230

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

AFFIN HOLDINGS BERHAD
(Company no. 23218 - W)
Unaudited Condensed Consolidated Statement of Cash Flow
For The Financial Period Ended 30 September 2016

	30/9/2016 RM'000	30/9/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	520,819	375,249
Adjustment for items not involving the movement of cash and cash equivalents:-	(425,280)	(58,630)
Operating profit before changes in working capital	<u>95,539</u>	<u>316,619</u>
Net changes in operating assets	1,246,717	(2,176,485)
Net changes in operating liabilities	(822,889)	(2,575,301)
Tax and zakat paid	(131,854)	(175,367)
Tax refund	5,459	1,577
Net cash generated from/(used in) operating activities	<u>392,972</u>	<u>(4,608,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received from securities	334,539	310,851
Net (purchase)/disposal of:		
- securities	380,411	284,831
- property and equipment	(33,618)	(54,534)
- intangible assets	(4,563)	(6,471)
Dividend received from:		
- financial investments held-to-maturity	-	1,735
- financial investments held-for-trading	669	-
- financial investments available-for-sale	13,706	11,375
Proceeds from disposal of foreclosed properties	588	4,490
Subscription of shares in a joint venture	(28,050)	(12,750)
Purchase of shares in associate	(11,361)	-
Repayment of subordinated loan and other receivables by associate	6,817	4,235
Net cash generated from investing activities	<u>659,138</u>	<u>543,762</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in borrowings	(231)	(66,596)
Dividends paid to shareholders	(97,147)	-
Dividends paid to non-controlling interest	(12,000)	-
Net cash used in financing activities	<u>(109,378)</u>	<u>(66,596)</u>
Net increase/(decrease) in cash and cash equivalents	942,732	(4,131,791)
Cash and cash equivalents at beginning of the period	4,393,076	7,312,405
Cash and cash equivalents at end of the period	<u>5,335,808</u>	<u>3,180,614</u>
<u>Analysis of cash & cash equivalent</u>		
Cash and short-term funds	5,383,781	3,233,283
Adjustment for money held in trust on behalf of remisers	(47,973)	(52,669)
	<u>5,335,808</u>	<u>3,180,614</u>

The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period under review have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values :-

- (i) financial assets held-for-trading,
- (ii) financial investments available-for-sale, and
- (iii) derivative financial instruments.

The unaudited condensed financial statements have been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and Policy Document on Financial Reporting issued by Bank Negara Malaysia dated 28 June 2015.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2015. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group since the year ended 31 December 2015.

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

The significant accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2015, except for the adoption of the following amendments to MFRS that are applicable to the Group and the Company effective for the financial year beginning on or after 1 January 2016:-

- Amendments to MFRS 11 "Joint Arrangements"
- Amendments to MFRS 116 "Property, Plant and Equipment"
- Amendments to MFRS 138 "Intangible Assets"

The adoption of these amendments is not expected to have any significant effect on the financial statements of the Group and the Company.

A3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited financial statements for the financial year ended 31 December 2015 was not subjected to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group are generally not affected by any seasonal or cyclical factors but are in tandem with the country's economic situation.

A5. ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Company during the financial period under review.

A6. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period under review.

A7. DEBT AND EQUITY SECURITIES

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of debts and equity securities by the Company during the financial period under review.

A8. DIVIDENDS PAID

A single-tier final dividend of 5.0 sen per share in respect of the previous financial year ended 31 December 2015 amounting to RM97,147,427.35 was paid on 8 June 2016.

A9. TRADE RECEIVABLES

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
Amount due from stock-broking clients		
- performing accounts	169,488	290,256
- impaired accounts	1,020	4,460
Amount due from brokers	132,359	141,493
Amount due from Bursa Securities Clearing Sdn Bhd	79,511	51,033
Management fees receivable on fund management	135,590	68,476
	<hr/>	<hr/>
	517,968	555,718
Less: Allowance for impairment		
- Collective impairment	-	(16)
- Individual impairment	(683)	(4,123)
	<hr/>	<hr/>
	517,285	551,579

Movement in allowance for impairment on trade receivables :-

Collective impairment

Balance at the beginning of financial period/year	16	19
Allowance made during the financial period/year	-	31
Amount written-back during the financial period/year	-	(34)
Amount recovered	(16)	-
	<hr/>	<hr/>
Balance at the end of financial period/year	-	16

Individual impairment

Balance at the beginning of financial period/year	4,123	4,083
Allowance made during the financial period/year	899	108
Amount written-back during the financial period/year	(670)	(68)
Amount written-off during the financial period/year	(3,669)	-
	<hr/>	<hr/>
Balance at the end of financial period/year	683	4,123

A10. FINANCIAL ASSETS

	Group	
	30/9/2016 RM'000	31/12/2015 RM'000
(a) <u>Financial assets held-for-trading</u>		
At fair value		
Malaysian Government Securities	10,300	-
Malaysian Government Investment Issuance	82,715	-
Negotiable Instruments of Deposit	98,653	79,807
Quoted Securities :-		
- Shares in Malaysia	28,338	33,564
- Unit Trusts in Malaysia	2,564	8,645
Unquoted Securities :-		
- Corporate Bonds and Sukuk in Malaysia	25,045	-
Total financial assets held-for-trading	<u>247,615</u>	<u>122,016</u>
(b) <u>Financial investments available-for-sale</u>		
At fair value		
Malaysian Government Securities	135,519	59,892
Malaysian Government Investment Issuance	1,557,451	2,538,871
Cagamas Bonds	68,471	20,102
Sukuk Perumahan Kerajaan	499,184	753,385
Khazanah Bonds	461,594	437,819
Negotiable Instruments of Deposit and Islamic Debt Certificate	793,745	1,004,703
	<u>3,515,964</u>	<u>4,814,772</u>
Quoted Securities :-		
- Shares in Malaysia	31,063	18,896
- Unit Trusts in Malaysia	242,831	240,850
- REITs in Malaysia	46,964	40,219
- REITs outside Malaysia	77,801	39,618
Unquoted Securities :-		
- Shares in Malaysia	228,705	227,133
- Corporate Bonds and Sukuk in Malaysia	8,169,804	7,051,910
- Corporate Bonds and Sukuk outside Malaysia	671,557	655,651
	<u>12,984,689</u>	<u>13,089,049</u>
Allowance for impairment losses of securities	(18,119)	(3,493)
Total financial investments available-for-sale	<u>12,966,570</u>	<u>13,085,556</u>
(c) <u>Financial investments held-to-maturity</u>		
At amortised cost		
Unquoted Securities :-		
- Corporate Bonds in Malaysia	516,831	459,546
Allowance for impairment losses of securities	(8,852)	(178)
Total financial investments held-to-maturity	<u>507,979</u>	<u>459,368</u>
Total securities held	<u>13,722,164</u>	<u>13,666,940</u>

A11. LOANS, ADVANCES AND FINANCING

(a) BY TYPE

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
Overdrafts	1,929,602	1,960,022
Term loans/financing :-		
- Housing Loan/financing	6,725,521	6,172,180
- Syndicated term loans/financing	2,096,636	2,079,497
- Hire purchase receivables	11,879,599	12,000,990
- Business term loans/financing	13,982,160	13,416,080
- Other term loans/financing	357,437	702,427
Bills receivables	13,283	321,091
Trust receipts	305,813	298,417
Claims on customers under acceptance credits	943,356	1,016,613
Staff loans/financing (of which RM NIL to Directors)	158,726	154,076
Credit/charge cards	84,620	83,769
Revolving credit	4,376,438	5,420,534
Margin financing	188,996	157,979
Factoring	3,527	4,369
Other receivables	91,101	91,377
Gross loans, advances and financing	43,136,815	43,879,421
Less: Allowance for impairment losses		
- Collective impairment	(266,776)	(238,868)
- Individual impairment	(268,613)	(295,263)
Total net loans, advances and financing	42,601,426	43,345,290

(b) BY MATURITY STRUCTURE

Maturing within one year	8,550,888	10,067,237
One year to three years	5,127,156	4,726,084
Three years to five years	6,934,343	6,937,257
Over five years	22,524,428	22,148,843
	43,136,815	43,879,421

(c) BY TYPE OF CUSTOMER

Domestic banking institutions	3,483	-
Domestic non-banking institutions :-		
- Stock-broking companies	213	221
- Others	825,779	1,575,279
Domestic business enterprises :-		
- Small medium enterprises	12,314,031	9,135,776
- Others	10,685,993	14,016,404
Government and statutory bodies	1,392,177	1,137,674
Individuals	17,620,863	17,066,575
Foreign individuals	1,120	966
Other domestic entities	82,075	109,263
Foreign entities	211,081	837,263
	43,136,815	43,879,421

(d) BY INTEREST / PROFIT RATE SENSITIVITY

Fixed rate :-		
- Housing loans/financing	412,186	404,928
- Hire purchase receivables	11,882,475	12,003,958
- Other fixed rate loans/financing	3,636,705	4,143,970
- Margin financing	188,996	157,978
Variable rate :-		
- BLR plus	16,398,010	16,027,827
- Cost plus	10,556,984	11,071,899
- Other variable rates	61,459	68,861
	43,136,815	43,879,421

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(e) BY ECONOMIC PURPOSE

	Group	
	30/9/2016 RM'000	31/12/2015 RM'000
Construction	3,402,415	3,264,042
Purchase of landed property of which :-		
- Residential	6,961,220	6,427,607
- Non-residential	5,989,880	5,913,754
Purchase of securities	954,922	904,800
Purchase of transport vehicles	12,307,490	12,509,416
Fixed assets other than land and building	326,689	240,609
Personal use	667,453	745,582
Credit card	84,621	83,769
Consumer durable	889	852
Merger and acquisition	99,326	299,085
Working capital	11,762,015	13,000,464
Others	579,895	489,441
	43,136,815	43,879,421

(f) BY SECTOR

Primary agriculture	775,442	692,126
Mining and quarrying	884,982	789,889
Manufacturing	2,079,195	2,341,341
Electricity, gas and water supply	333,781	244,682
Construction	2,602,621	3,576,344
Real estate	7,891,083	7,114,834
Wholesale and retail trade and restaurants and hotels	2,596,524	2,552,553
Transport, storage and communication	2,273,815	2,279,071
Finance, insurance and business services	3,042,761	4,399,043
Education, health and others	2,893,816	2,650,162
Household	17,757,333	17,185,511
Others	5,462	53,865
	43,136,815	43,879,421

(g) BY GEOGRAPHICAL DISTRIBUTION

Perlis	157,712	155,914
Kedah	1,414,144	1,362,682
Pulau Pinang	2,403,948	2,156,877
Perak	1,373,748	1,304,444
Selangor	12,539,749	13,424,739
Wilayah Persekutuan	13,266,962	13,750,878
Negeri Sembilan	1,259,110	995,346
Melaka	1,024,000	1,003,701
Johor	3,885,321	3,557,500
Pahang	869,833	845,284
Terengganu	751,638	803,862
Kelantan	219,968	229,607
Sarawak	1,627,232	1,584,176
Sabah	1,611,623	1,622,166
Labuan	649,602	684,220
Outside Malaysia	82,225	398,025
	43,136,815	43,879,421

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements of impaired loans, advances and financing

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
Balance at the beginning of financial period/year	834,222	747,776
Classified as impaired during the financial period/year	489,506	904,886
Reclassified as non-impaired during the financial period/year	(247,578)	(394,738)
Amount recovered during the financial period/year	(146,573)	(150,230)
Amount written-off during the financial period/year	(32,857)	(273,472)
	896,720	834,222

(ii) Impaired loans, advances and financing by economic purpose

Construction	75,599	98,031
Purchase of landed property of which :-		
- Residential	200,542	180,137
- Non-residential	75,884	56,434
Purchase of securities	172	804
Purchase of transport vehicles	104,871	82,026
Fixed assets other than land and building	5,311	164
Personal use	20,949	20,539
Credit card	365	389
Consumer durable	16	16
Working capital	396,146	338,087
Others	16,865	57,595
	896,720	834,222

(iii) Impaired loans, advances and financing by sector

Primary agriculture	14,185	14,388
Mining and quarrying	30	15
Manufacturing	57,177	58,035
Electricity, gas and water supply	9,833	148
Construction	77,449	81,302
Real estate	114,740	121,692
Wholesale and retail trade and restaurants and hotels	58,672	48,914
Transport, storage and communication	2,826	3,314
Finance, insurance and business services	235,458	216,444
Education, health and others	645	2,602
Household	325,705	287,368
	896,720	834,222

A11. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

(iv) Impaired loans, advances and financing by geographical distribution

	Group	
	30/9/2016 RM'000	31/12/2015 RM'000
Perlis	902	680
Kedah	51,791	19,972
Pulau Pinang	53,491	42,525
Perak	21,126	18,793
Selangor	363,065	484,346
Wilayah Persekutuan	91,128	89,094
Negeri Sembilan	131,986	13,949
Melaka	17,292	7,231
Johor	29,226	25,596
Pahang	5,222	8,262
Terengganu	7,254	5,307
Kelantan	5,568	5,068
Sarawak	8,813	6,918
Sabah	32,793	20,614
Outside Malaysia	77,063	85,867
	896,720	834,222

(v) Movements in allowance for impairment on loans, advances and financing

Collective impairment

Balance at beginning of financial period/year	238,868	301,601
Allowance (net of write-back) made during the financial period/year	30,545	17,649
Amount written-off during the financial period/year	(2,637)	(80,382)
Balance at the end of financial period/year	266,776	238,868

Individual impairment

Balance at the beginning of financial period/year	295,263	263,498
Allowance made during the financial period/year	46,915	258,654
Amount recovered during the financial period/year	(33,004)	(7,293)
Amount written-off during the financial period/year	(29,711)	(193,087)
Unwinding discount of allowance	(9,386)	(33,004)
Exchange difference	(1,464)	6,495
Balance at the end of financial period/year	268,613	295,263

A12. OTHER ASSETS

Cheque clearing accounts	11,925	6,803
Foreclosed properties	7,970	4,906
Other debtors, deposits and prepayments	135,086	185,919
Amount due from joint ventures	45,832	39,936
Land held for sale	162	162
	200,975	237,726

A13. OTHER LIABILITIES

Bank Negara Malaysia and Credit Guarantee Corporation Funding Programmes	39,300	38,536
Margin and collateral deposits	140,797	131,678
Trust accounts for remisers	47,973	48,624
Defined contribution plan	11,690	18,303
Accrued employee benefits	631	886
Other creditors and accruals	369,026	312,972
Provision for zakat	4,274	3,493
Sundry creditors	109,416	97,801
	723,107	652,293

A14. RESERVES

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
Retained profits	2,398,654	2,178,629
AFS revaluation reserves (a)	285,808	64,833
Statutory reserves (b)	1,738,114	1,626,175
Regulatory reserves (c)	247,641	284,141
	4,670,217	4,153,778

- (a) AFS revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments available-for-sale. The gains or losses are transferred in the income statement upon disposal or when the securities become impaired.
- (b) The statutory reserves of the Group are maintained in compliance with Section 47(2)(f) of the Financial Services Act 2013 and Section 57(2)(f) Islamic Financial Services Act 2013 and are not distributable as cash dividends.
- (c) The banking subsidiaries are required to maintain in aggregate collective impairment allowances and regulatory reserves of no less than 1.2% of the total outstanding loans, advances and financing, net of individual impairment allowances.

A15. INTEREST INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	467,303	480,316	1,420,415	1,397,879
Money at call and deposits with financial institutions	25,066	16,181	69,399	64,204
Financial assets held-for-trading	4,205	4,171	10,840	6,543
Financial investments available-for-sale	105,780	101,743	316,092	293,930
Financial investments held-to-maturity	4,917	4,861	18,447	16,921
Derivatives	29,124	33,854	88,549	104,829
Subordinated term loan	1,282	1,622	4,140	4,485
Others	100	166	(343)	463
	637,777	642,914	1,927,539	1,889,254
Accretion of discount less amortisation of premium	72	(409)	1,369	4,469
	637,849	642,505	1,928,908	1,893,723
of which :-				
Interest income earned on impaired loans, advances and financing	5,643	23,233	7,603	26,157

A16. INTEREST EXPENSE

Deposits and placements of banks and other financial institutions	26,375	7,359	64,919	33,725
Deposits from customers	329,825	345,380	1,026,012	1,035,269
Loans sold to Cagamas Berhad	1,419	1,474	4,301	4,457
Derivatives	27,372	30,463	82,299	93,446
Others	6,236	9,936	27,744	20,406
	391,227	394,612	1,205,275	1,187,303

A17. OTHER OPERATING INCOME

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Gross brokerage	21,228	23,845	68,471	75,959
Underwriting fees	2,302	173	2,978	4,379
Portfolio management fees	46,462	39,832	134,714	125,322
Corporate advisory fees	1,176	229	5,284	3,304
Commission	4,235	3,798	12,541	11,857
Service charges and fees	16,275	13,358	45,851	42,872
Guarantee fees	5,098	5,267	18,586	17,162
Arrangement fees	900	75	5,129	2,917
Agency fees	473	222	1,367	1,346
Initial service charges	26,655	12,864	54,427	53,695
Other fee income	1,887	1,126	5,590	3,906
	126,691	100,789	354,938	342,719
<u>Income from financial instruments</u>				
Gains/(losses) arising on financial assets held-for-trading :-				
- net gains on disposal	10,726	5,623	22,520	17,997
- unrealised gains/(losses)	(990)	(114)	3,256	(134)
- gross dividend income	202	555	669	1,735
Gains/(losses) on derivatives :-				
- realised	312	1,275	1,871	4,039
- unrealised	(4,695)	(2,196)	(3,455)	(13,960)
Gains arising on financial investments available-for-sale :-				
- net gains on disposal	31,306	7,012	42,771	19,728
- gross dividend income	3,720	3,746	13,706	11,375
	40,581	15,901	81,338	40,780
<u>Other income</u>				
Foreign exchange gains/(losses)				
- realised	16,904	198,439	(29,336)	229,010
- unrealised	3,087	(168,863)	75,435	(164,842)
Rental income	344	444	1,177	1,154
Gains on disposal of property and equipment	23	68	148	164
Gains on disposal of foreclosed properties	-	249	153	587
Other non-operating income	1,095	1,859	7,232	7,548
	21,453	32,196	54,809	73,621
Total other operating income	188,725	148,886	491,085	457,120

A18. OTHER OPERATING EXPENSES

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	112,881	107,812	336,348	326,542
Defined contribution plan	18,478	18,343	55,949	53,982
Other personnel costs	18,249	25,545	53,781	59,050
	<u>149,608</u>	<u>151,700</u>	<u>446,078</u>	<u>439,574</u>
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	4,601	3,043	13,709	13,525
Entertainment	1,382	865	4,009	3,116
Travelling and accommodation	1,757	1,863	5,230	4,896
Dealers' handling fees	1,807	1,199	5,763	6,900
Commission and brokerage expenses	29,049	20,509	72,133	62,825
Dealers representative performance incentive	1,128	1,903	4,116	5,842
Others	1,751	2,216	5,391	6,261
	<u>41,475</u>	<u>31,598</u>	<u>110,351</u>	<u>103,365</u>
<u>Establishment-related expenses</u>				
Rental of premises	10,017	10,942	30,959	32,280
Equipment rental	858	1,096	2,208	2,481
Repair and maintenance	12,824	10,563	37,718	32,239
Depreciation of property and equipment	5,828	5,284	17,663	15,667
Amortisation of intangible assets	6,647	5,452	19,103	15,943
IT consultancy fee	16,064	15,196	48,613	48,305
Dataline rental	2,220	1,459	5,774	4,043
Security services	4,423	4,059	13,294	12,478
Electricity, water and sewerage	3,602	3,151	10,847	10,560
Insurance and indemnities	6,638	5,328	20,023	12,037
Others	1,240	1,298	3,872	3,941
	<u>70,361</u>	<u>63,828</u>	<u>210,074</u>	<u>189,974</u>
<u>General and administrative expenses</u>				
Telecommunication expenses	4,422	3,330	12,357	10,888
Directors' remuneration	821	565	2,569	1,777
Auditors' remuneration :-				
(i) Statutory audit fees				
- current year	696	540	1,896	1,626
(ii) Audit related fees	-	7	1	22
(ii) Non audit fees				
- current year	11	61	298	336
Professional fees	3,573	5,978	9,983	12,979
Property and equipment written-off	16	52	1,094	149
Intangible asset written-off	-	-	17	6
Postage and courier charges	1,010	1,049	3,125	2,778
Stationery and consumables	2,888	2,478	9,332	7,569
Donations	451	314	2,310	1,693
Settlement, clearing and bank charges	3,156	2,256	8,998	7,050
Stamp duties	72	236	459	339
Operational and litigation write-off expenses	263	8	253	170
Subscription fees	2,311	1,593	5,960	3,849
Transaction levy	1,775	2,165	5,813	6,643
Subsidies and allowances	831	1,734	2,541	2,271
SCORE fees	604	756	1,960	2,262
Others	4,000	4,378	12,834	9,910
	<u>26,900</u>	<u>27,500</u>	<u>81,800</u>	<u>72,317</u>
Total other operating expenses	<u>288,344</u>	<u>274,626</u>	<u>848,303</u>	<u>805,230</u>

**A19. ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS,
 ADVANCES AND FINANCING**

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Collective impairment				
- made/(written-back) during the financial period	(5,222)	7,547	30,529	5,295
Individual impairment				
- made during the financial period	21,100	64,083	47,814	228,368
- written-back during the financial period	(4,637)	(2,830)	(33,674)	(4,541)
Bad debts				
- recovered	(8,926)	(40,012)	(42,711)	(64,656)
- written-off	760	701	1,645	2,787
Additional allowance for impairment losses				
- other debtors	408	252	472	328
	3,483	29,741	4,075	167,581

**A20. ALLOWANCE FOR IMPAIRMENT LOSSES
 ON SECURITIES**

Additional/(write-back of) allowance for impairment losses				
- Financial investments available-for-sale	15,176	-	15,176	(46)
- Financial investments held-to-maturity	3,537	(45)	3,537	(23,546)
	18,713	(45)	18,713	(23,592)

A21. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2016 and 30 September 2015 are as follows:-

	<----- Current year's individual quarter ended 30 September 2016 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	347,131	153,585	-	3,679	-	504,395
Intersegment revenue	(3,838)	(7,420)	-	11,928	(670)	-
Segment revenue	<u>343,293</u>	<u>146,165</u>	<u>-</u>	<u>15,607</u>	<u>(670)</u>	<u>504,395</u>
Overhead expenses	(171,098)	(113,685)	-	(4,231)	670	(288,344)
of which :-						
Depreciation of property and equipment	(3,674)	(2,075)	-	(79)	-	(5,828)
Amortisation of intangible assets	(2,661)	(3,970)	-	(16)	-	(6,647)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(7,201)	(14,995)	-	-	-	(22,196)
Segment results	<u>164,994</u>	<u>17,485</u>	<u>-</u>	<u>11,376</u>	<u>-</u>	<u>193,855</u>
Finance costs	-	-	-	(13,853)	-	(13,853)
Share of results of joint ventures (net of tax)	-	-	(1,635)	-	-	(1,635)
Share of results of associate (net of tax)	-	-	7,440	-	-	7,440
Profit before taxation and zakat	<u>164,994</u>	<u>17,485</u>	<u>5,805</u>	<u>(2,477)</u>	<u>-</u>	<u>185,807</u>
Zakat	-	(328)	-	-	-	(328)
Profit before taxation	<u>164,994</u>	<u>17,157</u>	<u>5,805</u>	<u>(2,477)</u>	<u>-</u>	<u>185,479</u>
Taxation						<u>(41,154)</u>
Net profit for the individual quarter						<u>144,325</u>

	<----- Preceding year's individual quarter ended 30 September 2015 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	338,247	116,720	-	4,819	-	459,786
Intersegment revenue	(6,479)	(1,469)	-	8,311	(363)	-
Segment revenue	<u>331,768</u>	<u>115,251</u>	<u>-</u>	<u>13,130</u>	<u>(363)</u>	<u>459,786</u>
Overhead expenses	(157,040)	(113,202)	-	(4,605)	221	(274,626)
of which :-						
Depreciation of property and equipment	(3,849)	(1,327)	-	(108)	-	(5,284)
Amortisation of intangible assets	(1,671)	(3,769)	-	(12)	-	(5,452)
(Additional)/write-back of allowance for impairment on loans, advances and financing/securities	(30,083)	387	-	-	-	(29,696)
Segment results	<u>144,645</u>	<u>2,436</u>	<u>-</u>	<u>8,525</u>	<u>(142)</u>	<u>155,464</u>
Finance costs	-	-	-	(10,008)	-	(10,008)
Share of results of joint ventures (net of tax)	-	-	1,530	-	-	1,530
Share of results of associate (net of tax)	-	-	2,433	-	-	2,433
Profit before taxation and zakat	<u>144,645</u>	<u>2,436</u>	<u>3,963</u>	<u>(1,483)</u>	<u>(142)</u>	<u>149,419</u>
Zakat	-	(365)	-	-	-	(365)
Profit before taxation	<u>144,645</u>	<u>2,071</u>	<u>3,963</u>	<u>(1,483)</u>	<u>(142)</u>	<u>149,054</u>
Taxation						<u>(44,920)</u>
Net profit for the individual quarter						<u>104,134</u>

A21. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2016 and 30 September 2015 are as follows:-

	<----- Current year's cumulative quarter ended 30 September 2016 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	980,977	415,089	-	11,965	-	1,408,031
Intersegment revenue	(15,232)	(20,234)	-	145,116	(109,650)	-
Segment revenue	965,745	394,855	-	157,081	(109,650)	1,408,031
Operating expenses	(521,722)	(314,482)	-	(14,341)	2,242	(848,303)
of which :-						
Depreciation of property and equipment	(11,307)	(6,086)	-	(270)	-	(17,663)
Amortisation of intangible assets	(7,229)	(11,828)	-	(46)	-	(19,103)
(Additional)/write-back of allowance for impairment losses on loans, advances and financing/securities	(8,577)	(14,211)	-	-	-	(22,788)
Segment results	435,446	66,162	-	142,740	(107,408)	536,940
Finance costs	-	-	-	(42,424)	-	(42,424)
Share of results of joint ventures (net of tax)	-	-	(4,676)	-	-	(4,676)
Share of results of associate (net of tax)	-	-	34,660	-	-	34,660
Profit before taxation and zakat	435,446	66,162	29,984	100,316	(107,408)	524,500
Zakat	(2,887)	(794)	-	-	-	(3,681)
Profit before taxation	432,559	65,368	29,984	100,316	(107,408)	520,819
Taxation						(118,009)
Net profit for the cumulative quarter						402,810

	<----- Preceding year's cumulative quarter ended 30 September 2015 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Revenue						
External revenue	946,798	376,743	-	14,117	-	1,337,658
Intersegment revenue	(16,742)	(7,502)	-	91,312	(67,068)	-
Segment revenue	930,056	369,241	-	105,429	(67,068)	1,337,658
Operating expenses	(463,467)	(328,260)	-	(14,398)	895	(805,230)
of which :-						
Depreciation of property and equipment	(11,268)	(4,095)	-	(304)	-	(15,667)
Amortisation of intangible assets	(4,584)	(11,336)	-	(23)	-	(15,943)
(Additional)/write-back of allowance for impairment losses on loans, advances and financing/securities	(145,284)	1,295	-	-	-	(143,989)
Segment results	321,305	42,276	-	91,031	(66,173)	388,439
Finance costs	-	-	-	(30,841)	-	(30,841)
Share of results of joint ventures (net of tax)	-	-	(1,991)	-	-	(1,991)
Share of results of associate (net of tax)	-	-	20,447	-	-	20,447
Profit before taxation and zakat	321,305	42,276	18,456	60,190	(66,173)	376,054
Zakat	-	(805)	-	-	-	(805)
Profit before taxation	321,305	41,471	18,456	60,190	(66,173)	375,249
Taxation						(93,815)
Net profit for the cumulative quarter						281,434

A22. SUBSEQUENT MATERIAL EVENT

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

A23. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there were no other significant changes in the composition of the Group during the financial period under review:-

Acquisition of Additional 1,678,186 ordinary shares of RM1.00 each, representing 1.41% Equity Interest in AXA AFFIN General Insurance Berhad ("AAGI")

During the period under review, the Company acquired additional 1,678,186 ordinary shares of RM1.00 each representing 1.41% equity interest in AAGI at a price of RM6.77 per share. As at 30 September 2016, the Company's equity interest in AAGI stood at 35.92% as compared to 34.51% as at 31 December 2015.

A24. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group makes various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the assets of the Group.

The notional amounts of the commitments and contingencies of the Group are as follows :-

	Principal Amount	
	30/9/2016	31/12/2015
	RM'000	RM'000
Direct credit substitutes	502,463	507,168
Transaction related contingent items	2,289,599	2,027,954
Short-term self-liquidating trade-related contingencies	368,219	470,476
Obligation under underwriting commitments	-	25,500
Foreign exchange related contracts #		
- Less than one year	10,123,395	10,585,763
- One year to less than five years	1,086,255	1,256,815
Interest rate related contracts #		
- Less than one year	543,438	652,116
- One year to less than five years	1,597,148	1,662,023
- Five years and above	770,000	597,000
Irrevocable commitments to extend credit		
- Maturity less than one year	9,679,956	7,687,062
- Maturity more than one year	1,533,959	1,717,346
Commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	926,533	618,204
Unutilised credit card lines	220,710	188,328
	29,641,675	27,995,755

The fair value of these derivatives has been recognised as "derivative financial assets" and "derivative financial liabilities" in the statement of financial position.

A25. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows:-

GROUP

	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2016												
Trading derivatives												
Foreign exchange contracts												
- Currency forwards	3,652,323	194,627	-	3,846,950	49,280	12,276	-	61,556	40,012	1,141	-	41,153
- Cross currency swaps	6,342,017	795,598	96,030	7,233,645	45,682	34,439	305	80,426	99,891	130,118	29,512	259,521
- Currency options	129,055	-	-	129,055	(363)	-	-	363	241	-	-	241
Interest rate contracts												
- Interest rate swaps	543,438	1,337,000	1,030,148	2,910,586	1,845	6,443	17,014	25,302	2,415	11,060	13,836	27,311
	10,666,833	2,327,225	1,126,178	14,120,236	96,444	53,158	17,319	166,921	142,559	142,319	43,348	328,226

As at 31 December 2015

Trading derivatives

Foreign exchange contracts

- Currency forwards	3,575,202	193,014	-	3,768,216	104,250	35,560	-	139,810	18,252	47	-	18,299
- Cross currency swaps	6,971,431	967,771	96,030	8,035,232	89,195	47,019	341	136,555	286,778	199,590	33,659	520,027
- Currency options	39,130	-	-	39,130	(12)	-	-	(12)	-	-	-	-

Interest rate contracts

- Interest rate swaps	652,116	1,327,875	931,148	2,911,139	3,430	7,595	6,486	17,511	2,677	5,798	9,066	17,541
	11,237,879	2,488,660	1,027,178	14,753,717	196,863	90,174	6,827	293,864	307,707	205,435	42,725	555,867

A25. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Foreign exchange and interest rate related contracts are subject to market risk, credit risk and liquidity risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM33.4 million (FYE 31/12/2015: RM98.5 million), while the notional amount of interest rate contract was RM833.6 million (FYE 31/12/2015: RM854.9 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM388.3 million (FYE 31/12/2015: RM524.0 million) and RM100.3 million (FYE 31/12/2015: RM82.6 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. The exposure to liquidity risk is mitigated by entering into transactions where the underlying financial instruments are widely traded and also easily closed out through alternative markets.

Cash Requirement of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, there is no requirement for the Group to post any additional cash collateral on its derivative contracts.

Related Accounting Policies

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2015.

A26. FAIR VALUE MEASUREMENTS

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:-

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 September 2016				
Assets				
Financial assets held-for-trading	28,338	219,277	-	247,615
Financial investments available-for-sale *				
- Corporate Bonds and Sukuk	-	7,838,473	-	7,838,473
- Equity securities	155,828	242,831	210,500	609,159
- BNM and government	-	4,518,938	-	4,518,938
Derivative financial assets	-	166,921	-	166,921
	184,166	12,986,440	210,500	13,381,106
Liabilities				
Derivative financial liabilities	-	328,226	-	328,226
31 December 2015				
Assets				
Financial assets held-for-trading	33,564	88,452	-	122,016
Financial investments available-for-sale *				
- Corporate Bonds and Sukuk	-	7,707,647	-	7,707,647
- Equity securities	98,733	-	223,554	322,287
- BNM and government	-	5,055,622	-	5,055,622
Derivative financial assets	-	293,864	-	293,864
	132,297	13,145,585	223,554	13,501,436
Liabilities				
Derivative financial liabilities	-	555,867	-	555,867

* Net of allowance for impairment losses

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

A26. FAIR VALUE MEASUREMENTS (Cont.)

This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2015: Nil)

The following table present the changes in Level 3 instruments for the financial period/year ended:-

Group	30/9/2016	31/12/2015
	RM'000	RM'000
As at beginning of the financial period/year	223,554	147,486
Purchases	750	500
Sales	(25)	-
Total (losses)/gains recognised in other comprehensive income	(13,779)	75,568
As at end of the financial period/year	210,500	223,554

Effect of changes in significant unobservable assumptions to reasonably possible alternative

As at reporting date, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio economic purposes.

A27. CAPITAL ADEQUACY

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) dated 28 November 2012. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier I ("CET I") Capital Ratio and Tier I Capital Ratio are 4.5% and 6.0% respectively for year 2016. The minimum regulatory capital adequacy requirement remains at 8.0% (2015: 8.0%) for total capital ratio.

All banking subsidiaries namely, AFFIN Bank, AFFIN Islamic Bank, AFFIN Hwang Investment Bank have complied with the above minimum regulatory capital adequacy requirement as at 30 September 2016. The components of CET I, Tier I and Tier II capital, breakdown of risk-weighted assets and capital adequacy ratios of the banking subsidiaries as at the reporting date are summarised below :-

	AFFIN Bank		AFFIN Islamic Bank		AFFIN Hwang Investment Bank	
	30/9/2016 RM'000	31/12/2015 RM'000	30/9/2016 RM'000	31/12/2015 RM'000	30/9/2016 RM'000	31/12/2015 RM'000
a) The components of CET I, Tier I						
Tier II capital :-						
<u>CET I/Tier I capital</u>						
Share capital	1,688,770	1,688,770	460,000	460,000	780,000	780,000
Share premium	858,904	858,904	-	-	219,800	219,800
Statutory reserves	1,393,376	1,328,792	267,573	248,717	243,414	214,915
Retained profit	933,877	805,289	248,716	196,256	289,828	274,498
Unrealised gains/(losses) on AFS	240,619	101,388	21,472	(10,405)	70,691	(14,762)
	<u>5,115,546</u>	<u>4,783,143</u>	<u>997,761</u>	<u>894,568</u>	<u>1,603,733</u>	<u>1,474,451</u>
Less Regulatory adjustments:-						
- Goodwill and other intangibles	(168,688)	(156,604)	(78)	(426)	(316,960)	(320,046)
- Investments in subsidiaries/joint ventures	(293,444)	(195,630)	(390)	(260)	(108,811)	(106,200)
- Deferred tax assets	-	-	-	(3,598)	-	(7,770)
- 55% of cumulative unrealised gains of AFS	(132,340)	(55,763)	(11,810)	-	(38,880)	-
Total CET I Capital	<u>4,521,074</u>	<u>4,375,146</u>	<u>985,483</u>	<u>890,284</u>	<u>1,139,082</u>	<u>1,040,435</u>
Total Tier I Capital (a)	<u>4,521,074</u>	<u>4,375,146</u>	<u>985,483</u>	<u>890,284</u>	<u>1,139,082</u>	<u>1,040,435</u>
<u>Tier II capital</u>						
Subordinated loans	880,000	820,000	-	-	-	-
Regulatory adjustments	180,945	220,148	62,509	58,400	4,188	5,594
Collective impairment #	106,814	110,058	25,402	23,750	8,218	9,423
Less : Investment in subsidiaries/joint ventures	(195,630)	(293,444)	(260)	(390)	(12,406)	(15,017)
Total Tier II Capital (b)	<u>972,129</u>	<u>856,762</u>	<u>87,651</u>	<u>81,760</u>	<u>-</u>	<u>-</u>
Total Tier I & II Capital (a) + (b)	<u>5,493,203</u>	<u>5,231,908</u>	<u>1,073,134</u>	<u>972,044</u>	<u>1,139,082</u>	<u>1,040,435</u>
Capital base before proposed dividends	5,493,203	5,231,908	1,073,134	972,044	1,139,082	1,040,435
Proposed dividends	(64,173)	(104,366)	-	-	(18,000)	(3,042)
Capital base after proposed dividends	<u>5,429,030</u>	<u>5,127,542</u>	<u>1,073,134</u>	<u>972,044</u>	<u>1,121,082</u>	<u>1,037,393</u>
b) The breakdown of risk-weighted assets :-						
Credit risk	32,625,628	33,498,227	7,387,515	6,336,026	2,386,172	2,589,933
Market risk	331,803	323,855	4,190	3,650	218,985	279,305
Operational risk	1,946,348	1,951,219	432,248	403,377	392,516	365,105
Total risk-weighted assets	<u>34,903,779</u>	<u>35,773,301</u>	<u>7,823,953</u>	<u>6,743,053</u>	<u>2,997,673</u>	<u>3,234,343</u>
c) Capital adequacy ratios :-						
<u>Before deducting proposed dividends:-</u>						
CET I Capital Ratio	12.953%	12.230%	12.596%	13.203%	37.999%	32.168%
Tier I Capital Ratio	12.953%	12.230%	12.596%	13.203%	37.999%	32.168%
Total Capital Ratio	<u>15.738%</u>	<u>14.625%</u>	<u>13.716%</u>	<u>14.415%</u>	<u>37.999%</u>	<u>32.168%</u>
<u>After deducting proposed dividends:-</u>						
CET I Capital Ratio	12.769%	11.938%	12.596%	13.203%	37.398%	32.074%
Tier I Capital Ratio	12.769%	11.938%	12.596%	13.203%	37.398%	32.074%
Total Capital Ratio	<u>15.554%</u>	<u>14.333%</u>	<u>13.716%</u>	<u>14.415%</u>	<u>37.398%</u>	<u>32.074%</u>

Qualifying collective impairment is restricted to allowances on the unimpaired loans, advances and financing.

The Group is currently adopting the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

A28. LIQUIDITY RISK

Liquidity risk for assets and liabilities based on remaining contractual maturities :-

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities.

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows :-

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
30/9/2016	month	months	months	years	years	RM'000
Assets	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	5,383,781	-	-	-	-	5,383,781
Deposits and placements with banks and other financial institutions	-	100,009	-	60,886	80,412	241,307
Trade receivables	515,486	1,799	-	-	-	517,285
Financial assets held-for-trading	93,572	20,674	15,291	66,021	52,057	247,615
Financial investments available-for-sale	937,622	576,048	1,351,724	3,721,762	6,379,414	12,966,570
Financial investments held-to-maturity	21,474	7,229	8,164	135,564	335,548	507,979
Derivative financial assets	24,046	25,989	54,702	49,504	12,680	166,921
Loans, advances and financing	3,221,962	1,938,453	2,355,684	11,878,619	23,206,708	42,601,426
Other assets	101,466	1,930	19,173	61,632	16,774	200,975
Statutory deposits with Bank Negara Malaysia	1,659,440	-	-	-	-	1,659,440
Amount due from associate	905	4,421	-	46,417	-	51,743
Other non-financial assets (Note 1)	1,932	-	51,250	354,057	2,197,117	2,604,356
Total assets	11,961,686	2,676,552	3,855,988	16,374,462	32,280,710	67,149,398

Note 1 : Other non-financial assets include investment in joint ventures, investment in associate, taxation recoverable, deferred tax assets, property and equipment and intangible assets.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.) :-

	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Total RM'000
Group 30/9/2016						
Liabilities						
Deposits from customers	22,302,994	9,623,102	17,162,996	174,683	-	49,263,775
Deposits and placements with banks and other financial institutions	2,703,673	1,161,623	792,811	-	-	4,658,107
Obligations on securities sold under repurchase agreement	1,129,846	-	-	-	-	1,129,846
Bills and acceptances payable	45,336	-	-	-	-	45,336
Trade payables	626,630	162	-	-	-	626,792
Derivatives financial liabilities	35,128	27,199	87,900	169,957	8,042	328,226
Recourse obligation on loans sold to Cagamas	-	130,569	-	-	-	130,569
Other liabilities	566,363	3,625	10,857	142,262	-	723,107
Other non-financial liabilities (Note 2)	52,538	-	8,155	21,239	13,911	95,843
Borrowings	4,198	1,582	300,000	300,000	700,000	1,305,780
Total liabilities	27,466,706	10,947,862	18,362,719	808,141	721,953	58,307,381
Net liquidity gap	(15,505,020)	(8,271,310)	(14,506,731)	15,566,321	31,558,757	8,842,017

Note 2 : Other non-financial liabilities include provision for taxation and deferred tax liabilities.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.) :-

Group	Up to 1 month	> 1-3 months	> 3-12 months	> 1-5 years	Over 5 years	Total
31/12/2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Cash and short-term funds	4,441,700	-	-	-	-	4,441,700
Deposits and placements with banks and other financial institutions	-	35,034	-	432,093	30,034	497,161
Trade receivables	544,099	7,480	-	-	-	551,579
Financial assets held-for-trading	42,209	5,114	74,693	-	-	122,016
Financial investments available-for-sale	459,278	974,812	1,169,219	4,683,514	5,798,733	13,085,556
Financial investments held-to-maturity	23,438	-	71,341	74,208	290,381	459,368
Derivative financial assets	24,667	85,319	96,102	85,198	2,578	293,864
Loans, advances and financing	3,799,165	1,543,279	2,311,424	11,650,950	24,040,472	43,345,290
Other assets	104,731	2,152	10,976	97,039	22,828	237,726
Statutory deposits with Bank Negara Malaysia	1,782,450	-	-	-	-	1,782,450
Amount due from associate	1,092	-	13,262	44,206	-	58,560
Other non-financial assets (Note 1)	3,598	-	48,705	340,030	2,146,271	2,538,604
Total assets	11,226,427	2,653,190	3,795,722	17,407,238	32,331,297	67,413,874

Note 1 : Other non-financial assets include investment in joint ventures, investment in associate, taxation recoverable, deferred tax assets, property and equipment and intangible assets.

A28. LIQUIDITY RISK (Cont.)

Maturities of assets and liabilities of the Group by remaining contractual maturities profile are as follows (Cont.): -

Group	Up to 1	> 1-3	> 3-12	> 1-5	Over 5	Total
31/12/2015	month	months	months	years	years	RM'000
Liabilities	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits from customers	21,715,770	12,752,450	14,932,551	1,147,976	-	50,548,747
Deposits and placements with banks and other financial institutions	2,230,823	897,088	257,528	-	-	3,385,439
Obligation on securities sold under repurchase agreements	95,370	1,645,576	-	-	-	1,740,946
Bills and acceptances payable	77,114	-	-	-	-	77,114
Trade payables	642,483	-	-	-	-	642,483
Derivatives financial liabilities	63,796	94,227	157,746	235,368	4,730	555,867
Recourse obligation on loans sold to Cagamas	-	806	-	133,779	-	134,585
Other liabilities (Note 2)	503,834	39,434	108,259	766	-	652,293
Other non-financial liabilities	15,104	-	11,826	-	16,374	43,304
Borrowings	2,890	3,121	300,000	300,000	700,000	1,306,011
Total liabilities	25,347,184	15,432,702	15,767,910	1,817,889	721,104	59,086,789
Net liquidity gap	(14,120,757)	(12,779,512)	(11,972,188)	15,589,349	31,610,193	8,327,085

Note 2 : Other non-financial liabilities include provision for taxation and deferred tax liabilities.

A29. OPERATIONS OF ISLAMIC BANKING

(i) Unaudited Islamic Statements of Financial Position

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
ASSETS		
Cash and short-term funds	1,647,606	1,918,570
Deposits and placements with banks and other financial institutions	100,009	35,034
Financial investments available-for-sale	1,631,698	1,475,373
Financial investments held-to-maturity	73,402	76,283
Derivative financial assets	5,796	132
Financing, advances and other financing	11,054,038	9,201,909
Other assets	238,067	410,867
Statutory deposit with Bank Negara Malaysia	327,500	259,600
Deferred tax assets	-	3,598
Property and equipment	2,551	2,613
Intangible assets	78	426
TOTAL ASSETS	15,080,745	13,384,405
LIABILITIES, ISLAMIC BANKING FUNDS		
Deposits from customers	10,268,494	10,001,695
Deposits and placements of banks and other financial institutions	1,524,523	1,041,392
Investment accounts due to designated financial institutions	2,112,540	1,331,318
Derivative financial liabilities	6,831	1,035
Other liabilities	101,661	44,119
Provision for taxation	8,067	10,031
Deferred tax liabilities	4,162	-
Total Liabilities	14,026,278	12,429,590
SHAREHOLDERS' EQUITY		
Share capital	460,000	460,000
Reserves	594,467	494,815
Total Equity	1,054,467	954,815
TOTAL LIABILITIES AND EQUITY	15,080,745	13,384,405
COMMITMENTS AND CONTINGENCIES	2,748,832	2,499,754

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(ii) Unaudited Islamic Income Statements

	<-----Group----->			
	Individual Quarter Ended 30/9/2016 RM'000	30/9/2015 RM'000	Cumulative Quarter Ended 30/9/2016 RM'000	30/9/2015 RM'000
Income derived from investment of depositors' funds and others	142,059	132,621	415,514	358,037
Income derived from investment of investment account funds	26,535	10,020	72,254	50,829
Allowance for losses on financing, advances and other financing	(7,101)	(3,032)	1,772	(4,943)
	161,493	139,609	489,540	403,923
Income attributable to depositors	(111,949)	(89,380)	(329,514)	(262,402)
Income attributable to shareholders	49,544	50,229	160,026	141,521
Income derived from investment of Shareholders' funds	13,274	10,210	37,335	28,565
Net Income	62,818	60,439	197,361	170,086
Other operating expenses	(34,220)	(28,607)	(97,332)	(86,399)
Profit before taxation and zakat	28,598	31,832	100,029	83,687
Zakat	-	-	(2,887)	-
Profit before taxation	28,598	31,832	97,142	83,687
Taxation	(7,818)	(8,378)	(21,717)	(20,851)
Net profit for the financial period attributable to the equity holders of the Company	20,780	23,454	75,425	62,836

(iii) Unaudited Statements of Comprehensive Islamic Income

	<-----Group----->			
	Individual Quarter Ended 30/9/2016 RM'000	30/9/2015 RM'000	Cumulative Quarter Ended 30/9/2016 RM'000	30/9/2015 RM'000
Profit after taxation	20,780	23,454	75,425	62,836
Other comprehensive income :-				
- Net fair value change in financial investments available-for-sale	10,040	(19,006)	31,877	(16,121)
- Deferred tax on revaluation of financial investments available-for-sale	(2,409)	4,562	(7,650)	3,870
Other comprehensive income/(loss) for the financial period, net of tax	7,631	(14,444)	24,227	(12,251)
Total comprehensive income for the financial period attributable to the equity holders of the Company	28,411	9,010	99,652	50,585

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(iv) Financing

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
<u>By type</u>		
Cash line	228,585	314,426
Term financing		
- Housing financing	2,621,228	2,096,258
- Syndicated term financing	445,984	490,723
- Hire purchase receivables	3,009,381	2,710,393
- Business term financing	3,469,691	2,860,153
Bills receivables	2,873	36,637
Trust receipts	9,051	12,600
Interest-free accepted bills	130,195	123,897
Staff financing	11,211	9,536
Revolving credit	1,194,523	622,473
	11,122,722	9,277,096
Less : Allowance for impairment losses		
- Collective impairment	(45,299)	(36,671)
- Individual impairment	(23,385)	(38,516)
Total net financing	11,054,038	9,201,909

(v) Impaired financing

(a) Movements of impaired financing

Balance at the beginning of financial period/year	141,708	129,157
Classified as impaired during the financial period/year	118,117	108,375
Reclassified as non-impaired during the financial period/year	(44,425)	(67,897)
Amount recovered during the financial period/year	(60,564)	(18,862)
Amount written-off during the financial period/year	(4,155)	(9,065)
	150,681	141,708

(b) Movements in the allowance for impairment on financing

Collective impairment

Balance at the beginning of financial period/year	36,671	37,393
Allowance (net of write-back) made during the financial period/year	8,628	5,958
Amount written-off during the financial period/year	-	(6,680)
	45,299	36,671

Individual impairment

Balance at the beginning of financial period/year	38,516	31,519
Allowance for impairment during the financial period/year	5,366	3,560
Amount recovered during the financial period/year	(14,689)	(47)
Amount written-off during the financial period/year	(4,149)	(2,383)
Unwinding discount of allowance	(195)	(628)
Exchange difference	(1,464)	6,495
	23,385	38,516

A29. OPERATIONS OF ISLAMIC BANKING (Cont.)

(vi) Deposits from customers

	Group	
	30/9/2016	31/12/2015
	RM'000	RM'000
<u>Wadiah</u>		
Demand deposits	2,163,766	2,435,998
Savings deposits	463,041	412,394
	<hr/> 2,626,807	<hr/> 2,848,392
<u>Mudharabah</u>		
General investment deposits	104,853	109,796
	<hr/>	<hr/>
<u>Tawarruq</u>		
Murabahah term deposits	6,002,280	6,413,389
Commodity Murabahah Deposit (CMD)	1,534,554	630,118
	<hr/> 7,536,834	<hr/> 7,043,507
Total deposits from customers	<hr/> 10,268,494	<hr/> 10,001,695

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

The Group reported a higher profit before tax ("PBT") of RM185.5 million for the current financial quarter ended 30 September 2016 as compared to RM149.1 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, the Group's PBT of RM520.8 indicated an increase of RM145.6 million or 38.8% as compared to RM375.2 million for the corresponding period ended 30 September 2015. The improved performance was mainly due to lower allowance for loan impairment (net of lower loan recoveries) of RM163.5 million, increase in other operating income, Islamic banking income and net interest income totalling RM70.4 million and higher share of profits in associate of RM14.2 million. These were partially offset by the allowance for impairment loss on securities of RM18.7 million as compared to a write-back of RM23.6 million in the previous year, higher overhead expenses and higher finance cost of RM43.1 million and RM11.6 million respectively.

Commercial Banking

The results of the commercial banking segment was mainly attributable to the AFFIN Bank Berhad ("ABB") Group which reported a higher PBT of RM165.0 million for the current financial quarter as compared to RM144.6 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, the ABB Group's PBT of RM432.6 million also indicated a significant increase of RM111.3 million or 34.6% as compared to RM321.3 million achieved in the previous year. The improved performance was mainly due to lower allowance for loan impairment (net of lower loan recoveries) of RM162.2 million, higher Islamic banking income and higher other operating income of RM19.2 million and RM12.2 million respectively. The overhead expenses however increased by RM58.3 million mainly attributable to higher personnel cost and higher PIDM insurance premium incurred during the year. In addition, there was an allowance for impairment loss on securities of RM3.5 million as compared to a write-back of RM22.0 million in the previous year.

The wholly-owned subsidiary, namely AFFIN Islamic Bank Berhad registered a lower PBT of RM28.6 million as compared to RM31.8 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, the Bank's PBT of RM97.1 million was an increase of RM13.4 million or 16.0% as compared to RM83.7 million for the same period last year. The improved performance was mainly due to higher operating income of RM20.6 million in line with the financing growth of 19.9% and the write-back of allowance for loan impairment of RM1.8 million as compared to a charge of RM4.9 million in the previous year, net of higher overhead expenses of RM10.9 million.

Investment Banking

The results of the investment banking segment was attributed to AFFIN Hwang Investment Bank Berhad ["AFFIN Hwang IB"] Group which reported a higher PBT of RM17.2 million for the current financial quarter as compared to RM2.1 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, the AFFIN Hwang IB Group also registered a higher PBT of RM65.4 million as compared to RM41.5 million for the corresponding period ended 30 September 2015. The improved performance was mainly due to higher other operating income of RM24.7 million, lower overhead expenses of RM13.7 million net of the allowance for impairment loss on securities of RM15.2 million. The increase in other operating income was mainly attributable to higher management fee income of RM9.4 million from fund and asset management businesses, higher net income on financial instruments of RM23.9 million, partially offset by the reduction in foreign exchange gains and net brokerage income of RM9.9 million and RM5.6 million respectively. The PBT was after the amortisation of identifiable intangible assets of RM10.4 million (30/9/2015: RM21.0 million) resulting from the acquisition of HwangDBS Investment Bank Berhad at AFFIN Holdings Berhad ("AHB") Group level.

For the 9 months ended 30 September 2016, the asset management businesses contributed a slightly lower PBT of RM40.0 million as compared to RM42.1 million achieved last year. The increase in management fee income of RM9.6 million was not sufficient to offset both the increase in overhead expenses and the reduction in net interest income of RM9.8 million and RM1.9 million respectively. The PBT for the asset management businesses was also after taking into consideration the amortisation of identifiable intangible asset of RM5.6 million (30/9/2015: RM5.6 million) at AHB Group level.

Insurance

The results of the insurance segment was made up of the results of AXA AFFIN Life Insurance Berhad ("AALI") and AXA AFFIN General Insurance Berhad ("AAGI") as follows:-

AXA AFFIN Life Insurance Berhad ("AALI") reported a pre-tax loss of RM4.1 million for the current financial quarter as compared to a pre-tax profit of RM3.3 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, AALI also reported a higher pre-tax loss of RM20.6 million as compared to the pre-tax loss of RM2.2 million for the same period last year. This was mainly attributable to higher reserves for future policyholders' liabilities of RM17.9 million as a result of movement in MGS rate, partially offset by higher investment income of RM4.8 million attributed to fixed income securities and equities. For the period under review, the share of results in AALI of RM4.7 million was net of the adjustment of RM4.0 million on over-recognition of the Group's share of losses for the previous financial year, mainly due to the change of basis in recognising the reserve for undue Policyholders Reasonable Expectation (PRE).

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

Insurance

AXA AFFIN General Insurance Berhad ("AAGI") reported a pre-tax profit of RM30.0 million for the current financial quarter, a significant increase of RM19.8 million or 194.1% as compared to RM10.2 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, the Company's pre-tax profit of RM122.9 million also indicated an increase of RM41.2 million or 50.4% as compared to RM81.7 million for the same period last year. The improved performance was mainly due to higher earned premium of RM130.4 million attributable to health and motor businesses, higher investment income of RM10.1 million and higher gain on disposal of investment securities of RM8.2 million. These were partially offset by the increase in net claims, net commission incurred and overhead expenses of RM85.9 million, RM9.5 million and RM13.2 million respectively. Included in the share of results in AAGI of RM34.7 million for the period under review was an adjustment of RM3.2 million on under-recognition of the Group's share of profits for the previous financial year.

Other business segment

The results of the other business segment was mainly attributable to AFFIN Holdings Berhad ("AHB"), AFFIN Moneybrokers Sdn Bhd ("AMB") and AFFIN-ACF Holdings Sdn Bhd ("AACH").

AHB registered a pre-tax loss of RM2.9 million for the current financial quarter as compared to a pre-tax loss of RM2.4 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, AHB reported a higher PBT of RM98.5 million as compared to RM57.5 million achieved in the previous year, mainly attributable to the dividend income from subsidiaries.

AMB reported a lower pre-tax profit of RM0.2 million for the current financial quarter as compared to RM0.6 million for the preceding year's corresponding quarter. For the 9 months ended 30 September 2016, AMB also reported a lower PBT of RM1.2 million as compared to RM2.0 million, mainly due to lower net brokerage income net of lower overhead expenses.

For the 9 months ended 30 September 2016, AACH reported a PBT of RM592,000 as compared to RM681,000 achieved in the previous year.

B2. COMMENTS ON CURRENT PERFORMANCE AGAINST THE PRECEDING QUARTER'S RESULTS

The Group reported a slightly higher profit before tax ("PBT") of RM185.5 million for the current financial quarter as compared to RM182.6 million for the preceding quarter ended 30 June 2016. The increase in other operating income and Islamic banking income totalling RM28.4 million was offset by the allowance for impairment loss on securities and the reduction in share of profits in associate of RM18.7 million and RM7.7 million respectively.

B3. PROSPECTS FOR FINANCIAL YEAR 2016

Commercial Banking

Malaysia's economic growth moderated for the first three quarters of 2016 with the softening of export sector and volatility in commodity prices. Ringgit too, experienced depreciation against most major and regional currencies with the shift in investor sentiment. Consequently, the projection of national real GDP was revised to 4.0% - 4.5%.

For the fourth quarter of 2016, the prospect of national economic growth remains cautiously optimistic. This is supported by strong private investment, positive consumer sentiment, continuation of active investment undertakings and lower level of unemployment. Furthermore, Bank Negara Malaysia (BNM) leans towards supporting economic growth with the Overnight Policy Rate (OPR) stable at 3.0%, lower projection of inflation at the lower end of 2.0% - 3.0% and reduction of Statutory Reserve Rate (SRR) to 3.5%. On the other hand, the Bank will continue to remain vigilant to BNM future directions in preparation for potential emerging risks arising from financial prudence and policy adjustments in major economies of the develop countries.

The Bank's strategic priorities for the fourth quarter of 2016 is to continue on enhancing its customer experience, business efficiency and brand visibility. Currently, the Bank is in the process of enhancing its digital banking positioning and innovation to elevate its competitiveness in the industry. This is in line with its aspiration to become the preferred bank for the Small and Medium Enterprise (SME) segment and the millennials. Moving forward with 'Affinity', the Group's Strategic Transformation Program; the Bank foresees tangible benefits in the form of lower cost-to-income ratio, robust fee income generation and efficient business operations in the near future.

AFFIN Bank Berhad will continue its best efforts in serving its customers' interest by managing liquidity, safeguarding asset quality, preserving margins and maintain its strong capital levels.

B3. PROSPECTS FOR FINANCIAL YEAR 2016 (Cont.)

Investment Banking

The Group remains cautiously optimistic of its business prospects and growth in 2016 amidst at a slower pace. The country's resilient economic fundamentals are expected to cushion the global economic uncertainties arising from the Brexit event and slowdown in growth in China. The Group's diversified business profile coupled by a sturdy capitalisation should mitigate the expected volatility in the financial markets.

The Group takes cognizant of the increasingly-competitive investment bank and asset management operating environment, which are highly dependent on the overall market sentiments. The Group will continue to build resilience across its businesses and drive efficiency savings in all its business operations. The businesses shall continue to work on collaborative efforts within the Group to increase its ability to offer a wider range of products and services to its enlarged clientele.

Insurance

The Malaysian life insurance industry continued to grow at a moderate rate. AXA AFFIN Life Insurance Berhad expects to continue its growth trajectory on the back of favourable demographics and relatively low insurance penetration. This continuous growth is to be achieved through expanding reach of consumers through various distribution channels and platforms as well as product development to cater to different needs.

The general insurance sector is also expected to remain stable in 2016 amidst the local and global economic challenges, underpinned by the industry's solid capitalisation. Domestic demand stability and low insurance penetration will continue to support the sector despite the lower automotive sales and private consumption in 2015 as consumers were adjusting to the GST implementation. AXA AFFIN General Insurance Berhad remains focused on growing the key business lines while starting its transformation journey into becoming a customer centric organisation via transformation projects and digital enablers.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There were no profits forecast and profit guarantee issued by the Company.

B5. TAXATION

	<-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation :-				
- Income tax based on profit for the financial period	43,164	33,119	113,170	88,017
Deferred tax :-				
- Relating to originating temporary differences	(1,080)	10,202	5,621	4,189
Under provision in prior years :-				
- Current taxation	(930)	1,599	(782)	1,609
	41,154	44,920	118,009	93,815

For the current period, the Group's effective tax rate was lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

For the preceding year's corresponding period, the Group's effective tax rate were slightly higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

B6. STATUS OF CORPORATE PROPOSALS

a) Proposed Acquisition of a Minority Stake in AFFIN Hwang Investment Bank Berhad ("AHIB") by Daiwa Securities Group Inc. ("Daiwa") or one of its wholly-owned subsidiaries ("Proposal")

AFFIN Holdings Berhad (the "Company" or "AHB") had on 6 May 2015 announced that Bank Negara Malaysia ("BNM") had vide its letter dated 29 April 2015 stated that it had no objection in principle for AHB to commence negotiations with Daiwa in relation to the Proposal, subject to both parties concluding negotiations within 6 months from the date of the said letter.

The said approval should not be construed as approval for the Proposal. Upon concluding negotiations, Daiwa and AHB would be required to obtain prior approval from BNM pursuant to the Financial Services Act 2013, before entering into any agreement to effect the Proposal.

On 19 October 2015, AHIB had on behalf of the Board of Directors of AHB announced that an application had been submitted to BNM to seek its approval for an extension of time for both parties to conclude the negotiation for the Proposal. BNM had vide its letter dated 6 November 2015 stated that it had no objection to AFFIN's application for an extension of four (4) months up to 29 February 2016 to complete its negotiations with Daiwa in relation to the Proposal.

An application had been submitted to BNM on 29 February 2016 for its approval for the said Proposal.

On 25 October 2016, AHIB had on behalf of the Board of Directors of AHB announced that BNM had vide its letter dated 24 October 2016 granted its approval for the Proposal. The said approval is subject to certain conditions, as follows:

- (i) finalisation of the shareholders agreement and related documentations to effect the Proposal in accordance with BNM's approval; and
- (ii) AHIB obtaining the necessary approvals from other regulatory authorities, including the Securities Commission with regard to the proposed change in shareholder.

AHB and Daiwa Securities will review and deliberate on the terms and conditions of BNM's approval towards the finalisation of the Proposal.

Further announcements will be made to Bursa Malaysia Securities Berhad as and when there are material developments pertaining to the Proposal.

b) Proposed acquisition of additional equity interest in AXA AFFIN General Insurance Berhad ("AAGI") ("Proposed Acquisition")

AFFIN Holdings Berhad (the "Company" or "AHB") had on 25 March 2016 announced that Bank Negara Malaysia ("BNM") had vide its letter dated 25 March 2016 stated that it had no objection in principle for AHB to commence negotiations with Felda Marketing Services Sdn Bhd, AXA Asia and subsequently with the minority shareholders to acquire additional shares in AAGI in relation to the Proposed Acquisition, subject to all parties concluding negotiations within 6 months from the date of the said letter.

Currently, AHB holds approximately 34.51% equity interest in AAGI and AAGI is principally engaged in the underwriting of all classes of general insurance business.

The said approval should not be construed as approval for the Proposed Acquisition. Upon concluding negotiations, AHB would be required to obtain prior approval from BNM pursuant to the Financial Services Act 2013, before entering into any agreement to effect the Proposed Acquisition.

On 23 September 2016, AFFIN Hwang Investment Bank Berhad ("AHIB") had on behalf of the Board of Directors of AHB announced that the negotiations between AHB, AXA Asia and Felda Marketing Services Sdn Bhd were still on-going as at the date of this announcement.

AHB had on the same day submitted an application to Bank Negara Malaysia for an extension of time from 24 September 2016 to 31 December 2016 for AHB and AXA Asia to conclude negotiations with Felda Marketing Services Sdn Bhd to the Proposed Acquisition.

On 28 October 2016, AHIB had on behalf of the Board of Directors of AHB announced that BNM had in its letter dated 28 October 2016 informed that it has no objection for an extension of 3 months from 28 October 2016 for AHB to complete its negotiations with Felda Marketing Services and AXA Asia in relation to the Proposed Acquisition.

Further announcements will be made to Bursa Malaysia Securities Berhad as and when there are material developments pertaining to the Proposed Acquisition.

B7. GROUP BORROWINGS AND DEBT SECURITIES

(i) Deposits from Customers

	Group	
	30/9/2016 RM'000	31/12/2015 RM'000
<u>By Type of Deposits:-</u>		
Money Market Deposits	816,186	1,637,103
Demand Deposits	6,912,834	7,740,255
Savings Deposits	2,060,160	1,951,353
Fixed Deposits	30,471,020	31,816,220
Negotiable Instruments of Deposits ('NIDs')	7,273,430	6,581,758
Commodity Murabahah Deposit (CMD)	1,534,554	630,118
Other deposits	195,591	191,940
	49,263,775	50,548,747

Maturity structure of fixed deposits and NIDs are as follows:-

Due within six months	30,323,511	31,832,375
Six months to one year	6,703,746	5,417,628
One year to three years	544,801	1,142,315
Three years to five years	172,392	5,660
	37,744,450	38,397,978

By Type of Customers:-

Government and statutory bodies	7,616,987	8,724,822
Business enterprises	13,321,872	15,654,194
Individuals	12,848,005	12,284,299
Domestic banking institutions	7,298,902	6,556,250
Domestic non-banking financial institutions	7,135,386	5,888,596
Foreign Entities	495,637	431,589
Others	546,986	1,008,997
	49,263,775	50,548,747

(ii) Deposits and Placements of Banks and Other Financial Institutions

By Type of Institutions:-

Licensed banks	3,783,577	2,333,764
Licensed investment banks	60,764	3,680
Other financial institutions	813,766	1,047,995
	4,658,107	3,385,439

By Maturity Structure:-

Due within six months	4,658,107	3,385,439
	4,658,107	3,385,439

(iii) Borrowings

Unsecured :-

One year or less (short-term)	302,626	301,306
More than one year (medium/long-term)	1,003,154	1,004,705
	1,305,780	1,306,011

B8. REALISED AND UNREALISED UNAPPROPRIATED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses into realised and unrealised profits or losses as at the end of the reporting period. On 20 December 2010, Bursa Malaysia had also issued a guide to all listed issuers on the disclosure requirement for the realised and unrealised unappropriated profits and losses.

Pursuant to the above directives, the breakdown of retained profits of the Group into realised and unrealised profits as at the reporting date is disclosed as follows :-

	Group	
	30/9/2016	00/1/1900
	RM'000	RM'000
<u>Total retained profits of AFFIN Holdings Berhad and its subsidiaries :-</u>		
- Realised	2,356,098	2,018,252
- Unrealised		
- deferred tax recognised in the income statement	(23,140)	18,469
- other items of income and expense	69,649	157,623
	2,402,607	2,194,344
<u>Total share of retained profits in associate:-</u>		
- Realised	279,420	242,070
- Unrealised	2,720	5,412
<u>Total share of retained losses in joint ventures :-</u>		
- Realised	(39,788)	(32,540)
- Unrealised	1,367	(1,206)
	2,646,326	2,408,080
Add: Consolidation adjustments	(247,672)	(229,451)
Total Group retained profits as per consolidated financial statements	2,398,654	2,178,629

The breakdown of realised and unrealised retained profits is determined based on the Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad listing Requirements" issued by the Malaysian Institute of Accountants on 20 December 2010.

The unrealised retained profits of the Group as disclosed above does not include translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts. These translation gains and losses are incurred in the ordinary course of business of the Group and hence deemed as realised.

The above disclosure of realised and unrealised unappropriated profits and losses is strictly for the compliance of the disclosure requirements stipulated in the directive issued by Bursa Malaysia and should not be used for any other purposes.

B9. MATERIAL LITIGATION

- a) A claim by the Plaintiff against AFFIN Bank Berhad ("ABB") vide Write of Summons and Statement of Claim dated 22 January 2016 ("Writ") for the following:-
- RM56,885,317.82 together with interest at 5% per annum from 1999 till full settlement as alleged damages;
 - SGD9,928,473.75 together with interest at 5% per annum from 2013 till full settlement as alleged losses;
 - RM776,331.00 being alleged losses of Plaintiff's shares in Berlian Ferries Pte. Ltd which was transferred out as a result of his in 2013 with interest at 5% per annum from 2013 till full settlement as alleged losses;
 - RM500,000 as cost in respect of legal proceedings in Singapore.

ABB had on 25 January 1996 given Suria Barisan (M) Sdn Bhd ("Suria") a credit facility of RM21.6 million ("Facility") against security of unquoted shares belonging to Naval Dockyard Sdn Bhd and guaranteed by the Plaintiff and Puan Norashikin Binti Abdul Latiff ("Guarantor").

Suria, the Plaintiff and the Guarantor ("All") defaulted in the Facility which led to ABB filing a debt recovery action against All of them in 1999. Judgement was obtained against All on 8 July 2004.

The Plaintiff was made bankrupt on 17 January 2013. The bankruptcy was set aside in September 2015 on the grounds that he was solvent due to a third party, Chenet Finance Ltd ("Chenet") being ordered by a Singapore Court to pay damages to the Director General of Insolvency Malaysia ("DGI") as receiver of Plaintiff's Estate. ABB has appealed and Case Management ("CM") has been fixed on 24 June 2016.

The Plaintiff's claim ("Claim") is premised on alleged wrongful acts by ABB as follows:-

- failure to sell 7.2 million shares in Naval Dockyard Sdn Bhd ("NDSB shares") which was pledged by Suria to the Bank as security for the Facility on a timely basis. On this claim, Plaintiff claims damages under (i) above;
- allowed the release of the Guarantor from her liability upon payment of a certain sum pursuant to her Guarantee without giving the same opportunity to the Plaintiff;
- ABB had corresponded with the opponent of Plaintiff in Singapore to prevent the Plaintiff from claiming his assets in Singapore. Plaintiff has alleged conspiracy between ABB and the opponent of the Plaintiff in Singapore. On this claim, Plaintiff claims losses under (ii) above;
- ABB had wrongfully made Plaintiff a bankrupt in 2013 which bankruptcy was set aside in 2015. On this claim, Plaintiff claims losses under (iii) above;
- The Plaintiff is also claiming the amount of (iv) above being cost of proceedings incurred by him in Singapore.

ABB has a good defence ("Defence") on the merits with regard to each of the alleged wrongful act as follows:-

- the sale of NDSB Shares was subject to the approval from the relevant authorities as per the terms of the Facility Agreement and the price has to be based on the offer from the approved prospective buyer;
- the release of the Guarantor is the prerogative of ABB pursuant to the terms of the Guarantee Agreement;
- the Plaintiff's bankruptcy is based on a judgement of Court;
- ABB's legal firm has corresponded with the legal firm of the Plaintiff's opponent in Singapore only to inform the status of the Plaintiff proceedings in Malaysia and any alleged conspiracy is denied;
- The claim for cost is unreasonable as ABB was not in any way involved in the Singapore proceedings.

The above Claim against ABB by the Plaintiff is as a result of the Debt Recovery Action against the Plaintiff which was commenced in the ordinary course of business.

On 15 August 2016, the matter came up for hearing for the Plaintiff's Application for Discovery of Documents whereby the Court fixed the said matter for decision on 1 November 2016. The Court has also fixed the full trial dates on 13 February to 16 February 2017.

The Plaintiff's Stay Application was dismissed by the Court on 20 September 2016 with a cost of RM5,000.00. The hearing for ABB's appeal against the annulment of the Adjudicating Order Receiving Order (AORO) has been fixed on 10 November 2016.

On 1 November 2016, the Plaintiff's application for discovery of documents against the Bank came up for hearing whereby the Judge dismissed the Plaintiff's application for discovery at cost of RM1,000.00. The Court has also fixed the date for Case Management for main suit on 24 November 2016.

On 10 November 2016, matter came up for Case Management (for the hearing of Bank's appeal against the annulment of the AORO) whereby the Court has fixed the next hearing appeal on 22 December 2016.

The Board of Directors of ABB are of the view that save for the orders, cost and other relief sought by the Plaintiff, which will materialize only if the Court rules in the Plaintiff's favour, the Writ and Statement of Claim is not expected to result in any immediate losses, material, financial and operational impact on ABB for the current financial year ending 31 December 2016.

Further announcements will be made on material developments from time to time.

B9. MATERIAL LITIGATION (Cont.)

- b) Other than the above, there are various legal suits against AFFIN Bank Berhad ("ABB") in respect of claims and counter claims of approximately RM66.4 million (31 December 2015: RM68.1 million). Based on legal advice, the Directors of the Bank are of the opinion that no provision for damages need to be made in the financial statements, as the probability of adverse adjudication against ABB is remote.

B10. DIVIDENDS

An interim single-tier dividend of 3.0 sen per share have been declared for the financial year ending 31 December 2016 as follows:-

Amount per share	: Single-tier dividend of 3.0 sen per share
Previous corresponding period	: Single-tier dividend of 2.99 sen per share
Date payable	: 29 December 2016
Date of entitlement	: 16 December 2016
Total dividend for the current financial period	Single-tier dividend of 3.0 sen per share

B11. EARNINGS PER SHARE

	-----Group----->			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
Net profit attributable to equity holders of the Company (RM'000)	139,649	102,389	392,611	271,862
Weighted average number of ordinary shares in issue	1,942,948,547	1,942,948,547	1,942,948,547	1,942,948,547
Basic earnings per share (sen)	7.19	5.27	20.21	13.99

The basic earnings per share of the Group for the current financial quarter ended 30 September 2016 has been calculated based on the net profit attributable to the equity holders of the company of RM139,649,000 (2015: RM102,389,000) divided by the weighted average number of ordinary shares in issue during the current financial quarter of 1,942,948,547 (2015: 1,942,948,547).

The basic earnings per share of the Group for the cumulative quarter ended 30 September 2015 has been calculated based on the net profit attributable to the equity holders of the company of RM392,611,000 (2015: RM271,862,000) divided by the weighted average number of ordinary shares in issue during the current financial quarter of 1,942,948,547 (2015: 1,942,948,547).